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EUROPEAN COMMISSION ON AGRICULTURE

THIRTY NINTH SESSION

Budapest, Hungary, 22 and 23 September 2015

Agenda Item 7

Cost Proposal for the Organization of Future Sessions of the FAO European Commission on Agriculture

Executive Summary

- The document outlines the cost items for comparing the costs for the three locations (Budapest, Ankara and Rome) for possible holding of the future sessions of the European Commission on Agriculture upon the request of the 38th Session of the ECA and the 29th Regional Conference for Europe.
- It provides background information for the Members to take note of when deciding on the location for the future ECA sessions.

I. Introduction and Background

1. The FAO Regional Office for Europe and Central Asia (REU) has been requested by the 38th Session of the European Commission on Agriculture (ECA) and the 29th Regional Conference for Europe (ERC) to review options for the organization of future sessions of the FAO European Commission on Agriculture (ECA) in three locations: Ankara, Turkey; Budapest, Hungary; and Rome, Italy in FAO Headquarters and the related costs.

2. The Governments of Hungary and Turkey have expressed their interest to host the 40th and onward future sessions of the ECA in Budapest and Ankara.

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3. The location of Rome, Italy was suggested as alternative due to the location of the HQ in Rome.
4. The session costs related to particular locations may be divided into those:
 - 1) incurred by the Member States of the ERC for travel of their representatives to the ECA,
 - 2) costs borne by the Host Country in case of Ankara and Budapest for the ECA session organization/venue and
 - 3) costs for the REU-provided Secretariat to organize the session.
5. This paper first discusses estimates of travel costs by member countries' representatives to the three locations, followed by review of sessions' organization costs for the Host Country or REU in case of FAO HQ, Rome and, lastly, specific session organization-related costs borne by the REU Secretariat in all three locations.

II. Costs of travel to attend ECA sessions for Member States

6. The main cost item for representatives of member countries are travel costs (flights and Daily Subsistence Allowance (DSA) or equivalent). The Secretariat has requested and collated from travel agents, used by FAO, quotations for air travel to the three proposed locations.
7. A careful review of this data indicates that it is not possible to come up with a clear indication which location is most (or least) expensive in terms of air travel for ECA participants.
8. This is due to a number of reasons:
 - airfares published by major airlines in the region, as provided by FAO air ticket suppliers, are for always refundable, changeable full economy fare type tickets (the traveller's name cannot be changed), assuming most direct and frequent connections; the prices do not include airport charges, taxes and fees that may amount – on average – to EUR230; in practice, the delegates and FAO procure lower priced tickets, including increasingly for low-cost airlines, so a uniform assessment/comparison of travel costs is not possible.
 - while air travel costs to Ankara are highest because of distance, few low cost carriers and less frequent connections (say from Caucasus or Balkans), travel costs to Budapest or Rome are counterbalanced by high costs of air travel from Central Asia.
9. Clearly, the 2015 fluctuations of the exchange rate EUR to USD have changed prices of tickets markedly but in a mixed/varied way. Thus estimates of Central Asia-bound flights' related costs are heavily influenced by exchange rates changes, in particular EUR/USD that affect flight costs that are in most cases denominated in EUR or in local currencies.
10. The other main component of travel costs – standard costs of hotel accommodations and meals obviously differ by countries and organizations and practice. Here in turn, Ankara from a formal point of assigned UN Daily Subsistence Allowance (DSA) is markedly least expensive¹.
11. But it is to be noted that the differences in particular countries' practices in covering such costs make any reasonable comparison impossible.
12. It is also to be noted that in past when the ECA sessions were held back to back with the Regional Conference, the ECA/ ERC Host Country would generously establish a trust fund to cover travel costs of supported beneficiary countries assessed as in the previous paragraphs; the modality of continuation of this support would need to be re-examined as ECA sessions are convened in non-ERC years.

¹ UN DSA rates of USD198 for Ankara, USD295 for Budapest and USD281 for Rome (as at June 2015).

13. The ECA Executive Committee has thus concluded that due to the heterogeneity of items and calculations it is not possible to use the Members' travel costs as item for comparison.

III. Costs of ECA session venue and facilities

14. The costs related to the organization of an ECA session, the technical modalities which are agreed in standard format between the Host Country and the REU Secretariat include conference venue and facilities, including communication and working lunches for participants, local support staff, technical field trip and customary cultural program and reception².

15. The costs vary significantly, very much depending on the location chosen for the session and the location selected for the study tour by the Host Government.

16. All costs mentioned under paragraph 14 are as a general rule covered by the Host Government, i.e. Hungary and Turkey respectively.

17. In the case of Rome, most of the costs of conference venue and facilities, including among others the communication, local support staff, etc., would need to be covered by FAO, so they were added in table 1 as extra costs for the Secretariat.

18. The technical field trip (study tour) would also need to be covered by the FAO Secretariat in this case, so they were included also in table 1.

19. It needs however to be noted that the costs for this item cannot be calculated as mentioned under paragraph 15. The lunch on the other hand would be paid by participants which is a standard practice for HQ-organized meetings.

20. The ECA Executive Committee has thus concluded that due to the heterogeneity of items and calculations it is not possible to use the venue and facilities costs as item for comparison.

IV. Costs of ECA sessions for REU Secretariat

21. The principal items in the ECA session costs covered by FAO REU are translation of session documents, salaries and travel of FAO official interpreters, as well as local REU and SEC staff supporting the event, preparatory pre-session travel by the REU secretariat, and Secretariat travel to session, where relevant.

² This also includes local national office staff support for the session and cars/ drivers for official and REU use.

Table 1. Costs of ECA sessions for REU Secretariat when held in Ankara, Budapest and Rome (in USD)

No	Costs for the FAO REU in particular locations (in USD)	Ankara	Budapest	Rome-FAO HQ
1	Translation of ECA session documents 1/	50,000	50,000	50,000
2	FAO provided interpreters (total salaries and travel) 2/ 4/	29,052	31,308	16,000 ***
3	Two pre-session ECA Secretary + 1 staff visits to country, including flights, DSA for up to three days, including preparations for field trip together with Host Country 4/	2,588	---	2,578
4	REU Secretariat staff travel to session including flights and DSA for 5 staff for 4 days			
	flights (Ankara USD700, Rome USD500)	3,500		2,500
	DSA	3,960		5,860
5	Secondment of four FAO REU General Service Staff G-4 for 4 days	2,736	2,736	7,200
6	Extra costs for venue and facilities (as per section 3)	--- (host country)	--- (host country)	7,300 ³
7	Technical field visit/study tour (as per section 3)	--- (host country)	--- (host country)	Additional extra cost for Secretariat
8	Totals (1 + 2 + 3 + 4 + 5 + 6)	91,836	84,044	91,438

Notes

To the items in the table, one should note that General Operating Expenses such as office supplies for the REU Secretariat and participants (in addition to those provided by Host Country) are provided by FAO and are the same regardless of the location: banners, posters, FAO technical material and prints, office supplies, stationery and word processing access for REU Secretariat, photocopying and printing, including in-session, information material and stationary, pens, portable memory storage devices for conference material for up to 150 participants.

1/ Translation costs regardless of location, based on the last, 38th ECA held in Bucharest in April 2014; includes session documents up to 40,000 words, translated into four ECA official languages including up to five thematic technical papers and session report.

2/ FAO-provided interpreters for the four official ERC languages: English, French, Russian and Spanish for 3 days; the flat rate for interpreters in Rome is USD1,000 per person per day.

**** No travel involved.*

4/ DSA as in above note.

³ The costs incurred at the FAO HQ for this item (Messengers including simultaneous operators and Digital recording operators – USD2500), (Technicians – 800), (PC and Printers and Photocopies – 3300), (Stationary and Supplies for the Secretariat USD400)